



MTRB Employer Bulletin

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Massachusetts Teachers' Retirement Board

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MTRB introduces the *Employer Bulletin*

We are very happy to provide you with our first issue of the MTRB *Employer Bulletin*. We are launching this publication to better serve you, our more than 400 employer districts. The purpose of this publication is:

- 1) To keep you up to date on the latest retirement issues and legal developments that affect how you report your employees' contributions, service and salary data to us;
- 2) To bring you news regarding upcoming employer programs, new processes and MTRB operations;
- 3) To clarify and document any complex or confusing issues and procedures; and,
- 4) To provide you with a regular, quick-read update so that you know you're not alone in what you do—and so you know that we're always here for you.

We will be publishing the *Employer Bulletin* quarterly. In addition to distributing it to all payroll administrators and superintendents via e-mail and regular mail, we will also post it on the Employer Area of our web site.

If you have any questions at all—about our payroll reporting procedures, how to complete our various forms, or our internal operations—please ask. You can mail your questions or comments to our Boston office, ATTN: Employer Reporting, or e-mail them to us at empsup@trb.state.ma.us.

We truly value your opinions and efforts on behalf of our members, and we want to help in any way we can. If you have any suggestions for this new publication, we'd love to hear from you. ■

Payroll administrators provide feedback on MTRB's eRetirement project at focus group meeting

Last fall, a group of 16 public school payroll officers, business managers and town treasurers gathered at the MTRB Boston office for a presentation describing our initiative to develop and implement an all-new, web-based information management system called "eRetirement."

The focus group represented a broad sample of Massachusetts public school systems: large and small municipal systems, regional districts, educational collaboratives and charter schools.

The purpose of the focus group meeting was to introduce participants to the key features of the new system, and invite

suggestions, criticisms and comments.

Topics covered included the security features of the new web-based system; an updated version of the MTRB online enrollment tool; web-based retirement deduction report processing and employment status management; and, new service and salary verification procedures.

One of the MTRB's key goals for the new system is to eliminate the delays in deduction report error processing that are caused by the limitations of our current system. For example, if a school district submits a deduction report with erroneous data, they often do not

Focus group meeting

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receive notice about the problem until after they have submitted their next month's report. In addition, there is no easy way for many school districts to correct previous reports, so the corrections require significant manual intervention by MTRB staff. Under eRetirement, districts will submit their deduction reports via the web, and receive feedback on their submittal within days rather than weeks or months. Also, if there are any corrections to be made, the authorized school district official will be able to view and make the corrections directly on the secure web tool.

The focus group participants shared their reactions to the features of the proposed new system, discussed the effect it will have on their local work processes, and offered suggestions from the end users' perspective.

We plan to meet with the focus group again in the spring, when a system prototype is available for demonstration. The number of participants may be expanded to ensure that a full spectrum of local issues is included. In addition, we are preparing to hold a vendors' meeting, where software vendors, payroll

service providers and operators of internally developed payroll systems will have an opportunity to learn about the MTRB's system development plans and offer input.

Field testing is expected to begin this summer, and we may ask for a small number of preview testers beforehand.

School district employers who want to participate as a tester or to be kept abreast of the proceedings in future meetings through e-mail should send a request to the MTRB via the Employer Reporting e-mail address, empsup@trb.state.ma.us. ■

THANK YOU for responding to our online eRetirement Survey!

In August, we invited employer representatives to take our online survey regarding current and future reporting procedures. We received responses from 94 of you, many of which included **very** useful comments—**thank you for your time and help!**

Court decision clarifies definition of regular compensation with regard to teacher's additional services

Recently, the Massachusetts Court of Appeals clarified the definition of regular compensation and when retirement contributions should be taken from money that a teacher receives for performing additional services.

In *Varella v. Contributory Retirement Appeal Board*, the Court concluded that the stipend a teacher received for being the co-director of the Easton Evening Program was not regular compensation. As such, retirement contributions should not have been withheld.

Although the stipend was part of the collective bargaining agreement, the Court determined that the Evening Program was "not meaningfully related to the regular high school experience." While high school students occasionally attended the Evening Program, it was not an adjunct of the high school. For these reasons, the Appeals Court concluded that the services were not rendered in a "public day school" and the stipends could not be considered regular compensation.

Just a reminder: Retirement contributions should be taken on salary for additional services, so long as the services are provided in a "public day school" and:

- 1) the additional services are set forth in the annual contract;

- 2) the additional services are educational in nature;
- 3) the remuneration for these services is provided in the annual contract and is a fixed stipend, not a daily or hourly wage, except in the instances of intramural or interschool sports, and school lunch programs; and,
- 4) the additional services are performed during the school year. ■

Coming in the next issue...

Layoffs—how termination affects pending RetirementPlus Accelerated Payment Applications, and members' options regarding their MTRS annuity savings accounts

Did you also receive your copy of the *Employer Bulletin* via e-mail?

If not, please give us your e-mail address and we'll send the next issue right to your desktop!